

Exhibit B

From: [Orlofsky, David](#)
To: [Sinclair, Debra](#); [Feldman, Betsy L.](#); [Lombardi, Stuart](#); [Brandt, Joseph](#)
Subject: FW: American Freight - FDM Payments
Date: Thursday, November 21, 2024 2:54:23 PM
Attachments: [AF Critical Vendor Description v.20241121 1445et.pdf](#)

***** EXTERNAL EMAIL *****

fyi

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From: Orlofsky, David
Sent: Thursday, November 21, 2024 2:52 PM
To: Scruton, Andrew <Andrew.Scruton@FTIConsulting.com>; Eisler, Marshall <Marshall.Eisler@fticonsulting.com>
Cc: Kelsall, Dan <dkelsall@alixpartners.com>; Cherian, Sujay <sucherian@alixpartners.com>; Colvin, Henry <HColvin@alixpartners.com>; Deshpande, Swapna <sdeshpande@alixpartners.com>
Subject: American Freight - FDM Payments

As a follow up to our call this morning, attached is an updated version of the AF Critical Vendor analysis. A few points of note:

- The large payments are to three vendors. Coyote and Transform help with either moving inventory from the DCs to stores and/or managing our DCs or 3PLs. On Demand handles the delivery of product from the stores to customer homes. It can be hard to sell some of these products without a delivery option given their size and weight. Plus, we make a margin on every sale that uses the delivery service during the GOB. The company makes 1% of the sales price as additional profit for delivery.
- These are not payments of inventory. We have the inventory on hand. To maximize value, we need to get the inventory into the stores as quickly as possible. As you know, each week that liquidation goes on, Hilco will take bigger discounts so there is a need to get the product into the stores as soon as we can.
- As you will see on page 3, we are expecting to net \$12.9 million after paying the three large CV their prepetition amounts.

Happy to chat live if helpful.

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